

**Effective 5/10/2016**

**17B-1-1308 Dissolution resolution -- Limitations on dissolution -- Distribution of remaining assets -- Notice to lieutenant governor -- Recording requirements.**

- (1) After the public hearing required under Section 17B-1-1306 and subject to Subsection (2), the administrative body may adopt a resolution approving dissolution of the local district.
- (2) A resolution under Subsection (1) may not be adopted unless:
  - (a) any outstanding debt of the local district is:
    - (i) satisfied and discharged in connection with the dissolution; or
    - (ii) assumed by another governmental entity with the consent of all the holders of that debt and all the holders of other debts of the local district;
  - (b) for a local district that has provided service during the preceding three years or undertaken planning or other activity preparatory to providing service:
    - (i) another entity has committed to provide the same service to the area being served or proposed to be served by the local district; and
    - (ii) all who are to receive the service have consented to the service being provided by the other entity; and
  - (c) all outstanding contracts to which the local district is a party are resolved through mutual termination or the assignment of the district's rights, duties, privileges, and responsibilities to another entity with the consent of the other parties to the contract.
- (3)
  - (a)
    - (i) Any assets of the local district remaining after paying all debts and other obligations of the local district shall be used to pay costs associated with the dissolution process under this part.
    - (ii) Any costs of the dissolution process remaining after exhausting the remaining assets of the local district under Subsection (3)(a)(i) shall be paid by the administrative body.
  - (b) Any assets of the local district remaining after application of Subsection (3)(a) shall be distributed:
    - (i) proportionately to the owners of real property within the dissolved local district if there is a readily identifiable connection between a financial burden borne by the real property owners in the district and the remaining assets; or
    - (ii) except as provided in Subsection (3)(b)(i), to each county, city, town, or metro township in which the dissolved local district was located before dissolution in the same proportion that the land area of the local district located within the unincorporated area of the county or within the city, town, or metro township bears to the total local district land area.
- (4)
  - (a) The administrative body shall:
    - (i) within 30 days after adopting a resolution approving dissolution, file with the lieutenant governor a copy of a notice of an impending boundary action, as defined in Section 67-1a-6.5, that meets the requirements of Subsection 67-1a-6.5(3); and
    - (ii) upon the lieutenant governor's issuance of a certificate of dissolution under Section 67-1a-6.5:
      - (A) if the local district was located within the boundary of a single county, submit to the recorder of that county:
        - (I) the original:
          - (Aa) notice of an impending boundary action; and
          - (Bb) certificate of dissolution; and
        - (II) a certified copy of the resolution adopted under Subsection (1); or

- (B) if the local district was located within the boundaries of more than a single county:
  - (I) submit to the recorder of one of those counties:
    - (Aa) the original of the documents listed in Subsections (4)(a)(ii)(A)(I)(Aa) and (Bb); and
    - (Bb) a certified copy of the resolution adopted under Subsection (1); and
  - (II) submit to the recorder of each other county:
    - (Aa) a certified copy of the documents listed in Subsections (4)(a)(ii)(A)(I)(Aa) and (Bb);  
and
    - (Bb) a certified copy of the resolution adopted under Subsection (1).
- (b) Upon the lieutenant governor's issuance of the certificate of dissolution under Section 67-1a-6.5, the local district is dissolved.

Amended by Chapter 176, 2016 General Session